



## **Trading Terms for Instruments Listed on the Gas Forwards Market**

*Consolidated text*

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**Terms and abbreviations used in the document.**

1. Market Maker – means an entity which is an OTF Member and is obliged to place, on a continuous basis and according to the agreed terms, buy and sell orders in respect of instruments for its own account, as part of its activity, in order to support the liquidity of a given instrument;
2. OTF Member – means an entity having the status of an OTF Member, in accordance with the Trading Rules of the Organized Trading Facility of Towarowa Giełda Energii S.A.;
3. delivery Day - corresponds to the gas day within the meaning of the TNCg and refers to consecutive hours starting from 06:00 a.m. on a given day until 06:00 a.m. on the next day, on which the gas contracted on the exchange on the Trading Day is delivered or received;
4. trading day – the day when a GFM session regarding gas Forward Instruments takes place;
5. expiration day – the last day of trading;
6. Exchange, TGE – means Towarowa Giełda Energii S.A.;
7. algorithmic trading for energy products - means trading in wholesale energy products involving high-frequency trading where a computer algorithm automatically determines individual parameters of orders such as the conditions under which an order can be triggered, the timing of execution, the price or quantity of the instruments to be traded, or the handling of the order after its placement, with limited or no human intervention; the term does not include any system that is only used for the purpose of routing orders to one or more organised trading platforms, or for order processing without setting any trade parameters, or for confirmation of orders or post-trade processing of concluded trades;
8. underlying instrument – means E-group high-methane natural gas conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market in accordance with the principles set out in the CM Rules;
9. instrument, forward instrument – means a forward contract concluded on the OTF, as a result of which rights or obligations arise, the underlying instrument of which is natural gas with physical delivery, which is not a financial instrument and is subject to wholesale trading;
10. financial instrument – means a financial instrument within the meaning of the Act on Trading in Financial Instruments;
11. TNCg – means the Gas Transmission Network Code prepared by Gas Transmission Operator GAZ-SYSTEM S.A., in accordance with Article 9 g) of the Energy Law Act;
12. Clearing House – means the Warsaw Commodity Clearing House (Izba Rozliczeniowa Giełd Towarowych S.A.) which operates a settlement and clearing house and, at the same time, acts the central clearing party;
13. Shipper Code – means the code used for the identification of a Shipper;
14. PFSA – means the Polish Financial Supervision Authority;

15. contract or forward contract – means a contract concluded on the OTF, which creates certain rights or obligations related to the possession of instruments;
16. yearly contract – means a forward contract with the execution term of one year;
17. seasonal contract – means a forward contract with the execution term of one season;
18. quarterly contract – means a forward contract with the execution term of one quarter;
19. monthly contract – means a forward contract with the execution term of one month;
20. weekly contract – means a forward contract with the execution term of one week;
21. instrument price – means the price of gas in the execution term established upon the conclusion of the forward contract;
22. long position opening (a long position) – means the purchase (acquisition) of a forward instrument;
23. short position opening (a short position) – means the sale (disposal) of a forward instrument;
24. OTF - means the Organised Trading Facility referred to in Article 3(10)(b) of the Act on Trading in Financial Instruments, operated by Towarowa Giełda Energii S.A.;
25. trading account – means the account of the OTF Member to which at least one Shipper Code is assigned;
26. opposite position – means a long position for instruments of the same series when referred to a short position, and a short position for instruments of the same series when referred to a long position;
27. DAM – means the Day-Ahead Market for gas making a distinctive part of the DAM&IDMg and operated by the Exchange as part of the Commodity Market;
28. DAM&IDMg – means the Day-Ahead and Intraday Market for gas operated by the Exchange as part of the Commodity Market;
29. OTF Rules – means the Trading Rules for the Organised Trading Facility of Towarowa Giełda Energii S.A.;
30. CM Rules – means the Trading Rules for the Commodity Market of Towarowa Giełda Energii S.A.;
31. Regulation 2016/679 – means Commission Delegated Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
32. Regulation 2016/957 – means Commission Delegated Regulation (EU) 2016/957 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders or transactions;

- 33. Regulation 2017/565 – means Commission Delegated Regulation (EU) of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- 34. Regulation 2017/578 – means Commission Delegated Regulation (EU) of 13 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying the requirements on market making agreements and schemes;
- 35. Regulation 2017/584 – means Commission Delegated Regulation (EU) 2017/584 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements of trading venues;
- 36. Regulation 2017/580 – means Commission Delegated Regulation (EU) 2017/580 of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments;
- 37. Regulation 2017/590 – means Commission Delegated Regulation (EU) of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities;
- 38. CM – means the Commodity Market operated by the Exchange in accordance with the Act on Commodity Exchanges;
- 39. GFM - means the Gas Forward Market operated on the OTF by the Exchange;
- 40. underlying market – means the underlying instrument market, i.e. the Day-Ahead Market for gas operated by the Exchange on the Commodity Market;
- 41. instrument series – means the instruments conforming to the standards determined by the Exchange and characterised in particular by the same underlying instrument and the same execution period;
- 42. IT system of the Exchange – means the electronic communications system, including all relevant hardware and software, and specifically the dedicated computer application that facilitates the trading on the OTF;
- 43. order table – means a tabulated summary of buy and sell orders;
- 44. Act on Trading in Financial Instruments – means the Act on Trading in Financial Instruments of 29 July 2005;
- 45. contract value – means the instrument price multiplied by the number of hours on the contract execution term;
- 46. Trading Terms – means the present Trading Terms for instruments listed on the Gas Forwards Market;
- 47. Shipper – means a Shipper as defined in the TNCg;
- 48. analysed instrument – means an instrument for which a daily clearing price is determined;

49. reference instrument – means an instrument in relation to which the price is determined using method 3. The following categories of reference instruments are distinguished:
- higher-level reference instruments (i.e. an annual instrument in relation to a quarterly instrument, a quarterly instrument in relation to a monthly instrument, a monthly instrument in relation to a weekly instrument);
  - parallel reference instruments (i.e. an annual instrument in relation to an annual one, a quarterly instrument in relation to a quarterly one, a monthly instrument in relation to a monthly one, a weekly instrument in relation to a weekly one);
50. reference price – means the initial clearing price for the reference instrument, determined in accordance with these Trading Terms;
51. end-of-session period – means the session period immediately preceding the end of the session on the OTF, corresponding to the time of minimum activity of the last order;
52. observation window – means a period of time during a session during which concluded transactions and active orders are used to determine prices pursuant to §42.6 and §42.7 of these Trading Terms.

## **Chapter 1 Introduction**

### **Section 1 Description and designation of instruments**

#### **§ 1**

1. These Trading Terms apply to instruments the price of which depends directly on the price of gaseous fuels which are subject to wholesale trading and are not financial instruments.
2. The term gas contract is understood as an agreement obliging the seller (the issuer of the instrument) to deliver gas at a specified point in time, at a specified price and obliging the buyer (the acquirer of the instrument) to take the gas at the specified point in time and to pay the specified price.
3. Among gas forward instruments, the following instruments are distinguished based on their execution period: weekly, monthly, quarterly, seasonal and yearly.
4. Gas instruments on the GFM shall be quoted in series. The instruments quoted at the same time shall include:
  - 4 series of weekly instruments;
  - 3 series of monthly instruments;
  - 4 series of quarterly instruments;
  - 3 series of seasonal instruments;
  - 2 series of yearly instruments.
5. The yearly, seasonal and quarterly instruments shall be subject to spitting. On the day preceding the beginning of the instrument execution term the instrument shall be split into: three monthly instruments in the case of a quarterly instrument or four quarterly instruments in the case of an annual instrument or a two quarterly instrument in the case of a seasonal instrument, provided that the instrument of the first quarter shall be immediately divided into three monthly instruments. On the day on which the instrument is split, after the end of the market session, open positions in the instrument being split shall be converted into corresponding open positions in three monthly instruments (for quarterly instruments) or in four quarterly instruments (for yearly or two quarterly instruments for seasonal instruments). Where yearly, seasonal and quarterly instruments are split, positions assigned to the instrument for the first quarter shall be converted into corresponding positions opened in three monthly instruments. The beginning and the end of the execution term of the four quarterly instruments shall coincide with the beginning and the end of the execution term of the yearly instrument. The beginning and the end of the execution term of the two quarterly instruments shall coincide with the beginning and the end of the execution term of the instrument for the season. The beginning and the end of the execution term of the three monthly instruments shall coincide with the beginning and the end of the execution term of the instrument for the quarter.
6. The description and detailed specifications of the instruments are set out in the standard specifications of the instruments enclosed as the Annex to these Trading Terms.

7. The expiration date and execution term for each period is defined in the instrument standard, in the Annex to these Trading Terms and in the "GFM Quotation and Execution Calendar".

## **Section 2 Starting date of trading in instruments.**

### **§ 2**

1. The starting date for the trading in the first series of instruments shall be established by the Exchange Management Board or an employee of the Exchange authorised by the Management Board upon the introduction of the instruments to trading on the OTF. The Exchange Management Board shall establish the contract quotation and execution dates for all the introduced instruments in the "GFM Quotation and Execution Calendar".
2. The "GFM Quotation and Execution Calendar" shall be defined and made public not later than 14 days before the trading starts.

## **Section 3 Place, form and time of public access to the Trading Terms.**

### **§ 3**

The Trading Terms shall be made available at least 7 days prior to the commencement of the trade in Forward Instruments and can be accessed at the offices of the Exchange and on its website.

## **Chapter 2 Information for buyers or sellers of gas forward instruments.**

### **Section 1 Description of risk factors**

#### **§ 4**

##### General

1. All investment decisions should be taken on the grounds of appropriate knowledge of mechanisms regulating the trade in Forward Instruments and of the awareness of risk specific to such Instruments.
2. The Exchange shall not bear any responsibility for investment risks involved in the trade in forward instruments.

#### **§ 5**

##### Market risk

1. Market risk is connected with changes in the prices of forward instruments and in the prices of underlying instruments. The forward instrument price is driven primarily by the price of the underlying instrument. An OTF Member entering into transactions on

the Gas Forwards Market is exposed to higher risk of price changes than on the underlying instrument market because of the financial leverage effect.

2. The financial leverage effect is caused by the fact that the value of the contributed collateral is part of the forward instrument's value and therefore losses or profits caused by a forward instrument price referred to the value of capital committed (i.e. the collateral value) may have significant values which are not found on the underlying instrument market.
3. A potential loss incurred on the Gas Forwards Market may exceed the initial value of an investment, understood as the amount of contributed collateral.
4. In the case of a decrease in the value of initial margin and variation margin below the level determined by the Clearing House, an investor holding open positions shall be requested to make up for the margin shortfall. If the shortfall is not made up for within the specified time, an order will be placed on behalf of the entity concerned to reduce its outstanding net position.
5. The placement of the order referred to in sub-paragraph 4 with a price below the opening price of a long position and an order with a price above the opening price of a short position means a loss on the transaction. The loss may exceed the amount of initial investment if the difference between the values of opening position and that of the order placed exceeds the value of contributed margin.

## **§ 6**

### Liquidity risk

1. On the Gas Forwards Market, and in particular at the initial stage, certain difficulties may occur connected with entering into a large transaction or entering into such transaction may adversely affect the level of market prices.
2. The OTF Member may experience difficulties in entering into a transaction aimed at reducing its outstanding net position at an expected price due to the lack of opposite orders.
3. Trade liquidity may also depend on the activity of market makers.

## **§ 7**

### Specific risks

Specific risks result from the changes in prices of gas quoted on the Day-Ahead Gas Market run by POLPX, which may be subject to significant volatility, thus affecting the Forward Instrument price as well as the amount of collateral margins.

## **§ 8**

### Legal risk

1. The Exchange reminds that legal risk is inherent to any investment. The level of risk varies and depends on the type of a forward instrument being the subject of the investment, as well as on the regulations of community and national legislation.

2. It cannot be ruled out that as a result of legal changes, trading in forward instruments may involve legal risk of losing, partly or entirely, the possibility of trading in forward instruments, and possible change of the transaction clearing method.
3. Any decision to buy or sell a forward contract involves, among other things, the need to assess the related legal risk.

## **§ 9**

### Delivery risk

1. The Exchange shall not be responsible for a physical delivery or off-take of gas under forward contracts concluded on the GFM.
2. Should the nomination of the physical delivery of gas be impossible, the volume of transaction concluded on the GFM shall be reduced accordingly by the volume attributable to the respective Delivery Days.

## **Section 2    Conditions to be fulfilled by the buyers and sellers of gas forward instruments.**

### **§ 10**

1. In order to act as buyers or sellers of the instruments traded on the GFM under these Trading Terms, the OTF Members shall:
  - a) be admitted in accordance with the OTF Rules to operation on the GFM with respect to gas forward instruments,
  - b) be admitted to operation and have the capability to enter into transactions on the Day-Ahead and Intraday Market for gas operated by the Exchange, with respect to the relevant balancing area and type of gas, and have the capability to place orders on that market.
2. The details of the conditions to be fulfilled by the OTF Member in order to be able to enter into transactions on the GFM are set out in § 13 - § 14.

## **Section 3    Rights and obligations resulting from forward instruments**

### **§ 11**

The term contract is understood as an agreement obliging the seller (the issuer) to deliver gas at a specified point in time, at a specified price and obliging the buyer (the acquirer) to take the gas at the specified point in time and at the specified price. The performance of the agreement concluded on the OTF shall take place through financial settlement and physical delivery of gas.

### **Chapter 3 Rules of operation for OTF Members**

#### **Section 1 Requirements concerning membership and admission to operation on the Gas Products Forward Market with physical delivery**

##### **§ 12**

###### Membership in the OTF

1. The membership agreement shall be executed in accordance with the provisions of the OTF Rules, upon an application of the interested entity.
2. The submission of the application referred to in clause 1 by the an entity interested in acquiring the OTF membership shall be deemed to be an offer to enter into a membership agreement.
3. The membership agreement shall be executed upon the adoption of a resolution granting the status of an OTF Member by the TGE Management Board.

##### **§ 13**

Entities described in § 15(1) and (2) of the OTF Rules are eligible for membership in the OTF.

###### Admission to operation on the GFM

1. The admission of an OTF Member to operation shall take place in accordance with the provisions of the OTF Rules, upon an application of the interested entity.
  - a) The Management Board of TGE shall admit the applicant to operation on the GFM, provided that the applicant fulfils the conditions set out in the OTF Rules, and specifically in § 23 and § 26 of the OTF Rules.
2. An OTF Member declaring to use its proprietary software for the purposes of connecting with the IT system of the Exchange shall be required to fulfil the conditions set out in § 30 of the OTF Rules.

##### **§ 14**

The capability of correct clearing and settlement of transactions shall be evidenced by the party applying for the admission to the operation on the GFM through providing the Exchange with:

- a) a confirmation from the Clearing House that the OTF Member has the status of a clearing member, or
- b) a confirmation from the Clearing House that the clearing and settlement of transactions concluded by the party has been entrusted to a clearing member.

**Section 2 TGE brokers****§ 15**

1. In transactions on the OTF, the OTF Member shall be represented by a TGE broker authorised by the OTF Member to conclude transactions on behalf of the OTF Member and fulfilling the conditions set out in § 34 of the OTF Rules.
2. The OTF Member shall be required to designate at least one supervisor, referred to as the "supervising broker", and notify such person to TGE.
3. The TGE broker shall represent the OTF Member in transactions in accordance with the principles set forth in § 35 of the OTF Rules.
4. The TGE broker shall be considered by TGE to be a staff member employed by the OTF Member in a key staff position within the meaning of Regulation 2017/584.

**§ 16**

1. The OTF Member shall be fully responsible for the activity of the TGE broker related to the performance of his or her obligations concerning trading on the OTF.
2. The TGE broker shall be responsible, in particular, for the submission of orders to the OTF according to the regulations being in force on the OTF. The submission of an order shall be deemed to include specifically its verification and authorisation according to the by-laws of the OTF Member in a manner that allows the OTF Member to assign the order to a given person representing the OTF Member in transactions.

**§ 17**

The OTF Member shall be required to set up and implement procedures for the submission of orders to the OTF. The procedures should include in particular:

- a) procedure for granting authority to TGE brokers, including the principles for the verification of their qualifications and experience,
- b) principles for the submission of orders on the OTF,
- c) principles for the application of emergency functions,
- d) principles for Order filtering including the setting of limits for entered Orders and the principles for limit introduction,
- e) principles for access to the IT system of the Exchange.

**Section 3 Principles for the operation of Market Makers****§ 18**

The role of the Market Maker is performed by an OTF Member which, under a separate agreement concluded with the Exchange, is obliged to place regularly buy and sell Orders for specific Financial Instruments in order to maintain the liquidity of trading for such instrument.

1. The Market Maker shall not be obliged to fulfil with its market making obligations in the event of exceptional circumstances referred to in Article 3 of the Commission Delegated Regulation (EU) 2017/578 (hereinafter referred to as exceptional circumstances), provided however, that the market making obligation:
  - a) with regard to the circumstances referred to in Article 3(a) and (c) of the Commission Delegated Regulation (EU) 2017/578 – shall be suspended after the occurrence of such circumstance is announced by the Exchange, and shall remain in force for the duration of such circumstance,
  - b) with respect to the circumstances referred to in Article 3(b) of the Commission Delegated Regulation (EU) 2017/578 – shall be suspended after the occurrence of such circumstance is announced by the Exchange, to the extent that its occurrence may, in the opinion of the Exchange, affect the safety of exchange trading, and shall remain in force for the duration of such circumstance,
  - c) in case of if the circumstances referred to in Article 3(d) of the Commission delegated Regulation (EU) 2017/578 – shall be suspended subject to a prior notification of the Exchange of the occurrence of a given circumstance affecting the Market Maker, and shall apply for the duration of such circumstance as indicated by the Market Maker in the notification referred to in sub-paragraph 4.
2. The occurrence of the exceptional circumstances referred to in sub-paragraph 2 point (a) and (b) shall be promptly made public by the Exchange.
3. The Market Maker shall immediately notify the Exchange of the lack of capability to perform the Market Maker agreement in case of exceptional circumstances referred to in clause 2(c), and shall provide detailed reasons for the occurrence of such circumstances.
4. When the exceptional circumstances cease to exist, the Market Maker shall immediately resume the performance of its duties to the full extent and on terms set forth in the Market Maker agreement and the applicable market regulations.
5. The occurrence of exceptional circumstances shall not preclude the Market Maker from placing only buy orders or only sell orders.

## **§ 19**

1. The Market Maker shall not be obliged to fulfil its market making obligations in case of occurrence of stressed market conditions on the GFM, as defined in § 20, if they occurred with respect to an instrument which is the subject of the agreement with the Exchange.
2. When the stressed market conditions cease to exist, the Market Maker shall immediately resume the performance of its duties to the full extent and on terms set forth in the market maker agreement and the applicable regulations of the Exchange.

## **§ 20**

### Stressed market conditions

1. The following events shall be deemed to represent stressed market conditions:
  - a) reduction of the percentage deviation of the static spread from the reference price during trading,
  - b) increase in the percentage deviation of the static spread from the reference price during trading,
  - c) lifting of static spreads in accordance with the OTF Rules.
2. Stressed market conditions occur if at least one of the events described in sub-paragraph 1 above has taken place with respect to the given series of an instrument traded on the OTF.
3. The Exchange shall inform the OTF Members about the introduction of stressed market conditions, indicating the series of instruments that meet the condition set forth in sub-paragraph 2.

## **§ 21**

1. The Market Maker shall establish internal procedures concerning supervision, compliance and audit to ensure that it is able to monitor its own operations for the proper performance of the market maker function, in particular to monitor the compliance of its operations with the relevant legal regulations, including the provisions of the Commission Delegated Regulation (EU) 2017/578, OTF Rules, these Detailed Rules and other regulations of the Exchange concerning the performance of the Market Maker's function.
2. The Market Maker shall keep separate records of Orders placed as part of the performance of the Market Maker's function.
3. A market animator shall keep the documents referred to in clauses 1 and 2 for the period specified in the applicable laws and make them available to the Exchange or to the competent supervision authority upon written request.

## **§ 22**

The Exchange shall make public the information on the execution and termination of each market making agreement.

## **§ 23**

1. The Exchange Management Board shall define the detailed rules for the operation of market makers and market making incentive schemes.
2. The rules for the operation of market makers which not regulated by the market making agreement are set out in the Act, OTF Rules, these Trading Terms and Conditions and the provisions of Commission Delegated Regulation (EU) 2017/578.

## **Chapter 4 Rules for instrument trading on the GFM**

### **Section 1 Instrument quotation dates.**

#### **§ 24**

1. The trading in subsequent series of instruments shall begin and end according to the "GFM Quotation and Execution Calendar" established by the Exchange Management Board.
2. The quotations shall be held from 8:00 a.m. to 2:00 p.m. from Monday to Friday, on business days, subject to sub-paragraph 3.
3. Auctions shall take place according to the schedule set out in § 51(2), unless the Exchange Management Board decides otherwise.

### **Section 2 Basic rules for trading in instruments.**

#### **§ 25**

##### Underlying instrument

The underlying instrument is E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0.01.

#### **§ 26**

##### Splitting

1. Yearly and seasonal forward instruments shall be subject to splitting into four and two quarterly instruments. The split of a yearly or seasonal instrument shall take place on the day preceding the beginning of the execution term. On the splitting date, after the closing of the market session, the Clearing House shall split open positions in the yearly or seasonal instrument being subject to splitting into corresponding positions in quarterly instruments, each of them with a different execution term, provided that the beginning, end and duration of the execution term of the quarterly instruments shall coincide with the beginning, end and duration of the execution term of the yearly or seasonal instrument.
2. Quarterly forward instruments shall be subject to splitting into three monthly instruments. The split of a quarterly instrument shall take place on the day preceding the beginning of the Execution Term. On the splitting date, after the closing of the market session, the Clearing House shall split open positions on the quarterly instrument being subject to splitting into corresponding positions on three monthly instruments, each of them for a different Execution Term, provided that the beginning, end and duration of the Execution Term of the three monthly instruments shall coincide with the beginning, end and duration of the Execution Term of the quarterly instrument.

## § 27

### Quotation system

1. The trading in gas forward instruments shall take place in the continuous trading system, subject to sub-paragraph 4, or in the auction system.
2. During the continuous trading phase, new orders may be placed on the OTF and existing orders may be modified or cancelled.
3. Orders in the continuous trading phase shall be executed in accordance with §39.
4. If the limits referred to in § 46 are exceeded, an additional quotation phase, i.e. the balancing phase, shall be introduced.
5. During the balancing phase, new Orders shall be accepted to the order sheet, and the existing Orders in the order sheet may be modified or cancelled.
6. Orders in the balancing phase are described in detail in §40
7. The determination of the balancing price is described in detail in §40.
8. In the auction system, orders shall be subject to the rules set out in Chapter 4. Part 11 Trading Terms.
9. Orders shall be posted exclusively by the means of the IT system of the Exchange.

## § 28

### Emergency situations

1. The Exchange Management Board shall have the right to restrict, suspend, postpone or terminate trading on individual markets, including the cancellation of the session on given day, if it recognizes that such actions are advisable in consideration of the interest of OTF Members, security of trading or conformity with the principles of fair trading on the market, in accordance with § 50 of the OTF Rules.
2. The Exchange Management Board shall have the right to cancel sessions or resulting transaction prices, if it recognizes that such actions are advisable because of the interest of OTF Members, security of trading or conformity with the principles of fair trading on the market.

## § 29

Whenever a Trading Supervisor or an authorised Exchange staff member is referred to, this shall be understood as a person authorised to conduct the session in accordance with applicable regulations.

## **Section 3 The principles of order acceptance, execution, modification and cancellation**

## § 30

1. OTF Members shall place their orders with reference to a specific trading account. In the trading system, the trading account is defined as an account assigned to a given OTF Member.
2. At least one Shipper Code shall be assigned to each account on the GFM.

3. The OTF Member may hold trading accounts for Shared Shipper Codes.
4. The orders placed by OTF Members shall be subject to discretion in accordance with the Exchange Rules.
5. The orders placed by OTF Members on the GFM shall be subject to restrictions on price limit variations in orders and to restrictions on transaction price variations.
6. The OTF Member may place multiple orders with respect to a given trading account.

### **§ 31**

OTF Members buying or selling instruments quoted on the GFM with the use of a computer algorithm without human intervention or with a limited human intervention, and such activity constitutes algorithmic trading for energy products, must fulfil the requirements set out in § 65(2) of the OTF Rules.

### **§ 32**

1. Each order of the OTF Member being placed on the GFM should define in particular the following parameters:
  - a) designation (ID code) of the instrument being the object of the order,
  - b) type of Order (buy/sell),
  - c) account in respect of which the Order is being placed,
  - d) volume, i.e. the number of instruments that may be traded;
  - e) price limit expressed with accuracy up to PLN 0,01 or an instruction to execute the order without a predefined price limit,
  - f) validity term,
  - g) conditions for the execution of the order, which are described in detail in § 33 hereof,
  - h) designation (ID) of the OTF Member issuing the order,
  - i) date and hour of order issuance,
  - j) order number.
2. Orders participating in algorithmic trading for energy products shall indicate the relevant algorithm.
3. One order must not include more than 100 contracts.
4. The minimum number of contracts in a single order is 1 contract, subject to § 56.5.

## § 33

### Types of orders

1. Orders introduced to quotations should contain the conditions of their execution and the validity date. Depending on the terms and time of execution, the following types of Orders apply:
  - a) **Good until expiry** – the order is valid until the expiry of the quotation period for the instrument. It may be placed during any quotation phase. The order placed in one quotation phase, or unexecuted part of such order, passes to the subsequent phase.
  - b) **Good Until Date Order** – is valid until the date specified upon placing the order. It may be placed during any quotation phase. The order, or its not executed part, placed in one quotation phase passes to the subsequent phase. The order, or its not executed part, passes to the subsequent trading session for the instrument until the date on which the specified date lapses.
  - c) **Rest of Day Order** – is valid on the day it is placed on the OTF. It may be placed during any quotation phase. The order, or its not executed part, placed in one quotation phase passes to the subsequent phase.
  - d) **Timed Order** – the order is valid on the day it is placed on the OTF until the time specified upon placing the order. The order may only participate in the continuous trading phase. In case when the balancing starts before the time indicated in the order, such order is suspended.
  - e) **Session Order** – an order is valid until the end of the quotation phase during which it has been placed on the market. It may be placed during any quotation phase. If not executed, the order, or a part thereof is cancelled following the change of the session phase. This type of order is dedicated for auctions.
  - f) **Fill and Kill Order** – the order may be placed **exclusively** during the continuous trading phase. The order is not included in the order table and is subject to immediate execution, or is otherwise cancelled. The order may be executed in full or in part. It is valid until the first transaction is concluded (or first transactions, if executed simultaneously), and the unexecuted part of the order is cancelled.
  - g) **Fill or Kill Order** – may only be placed during the continuous trading phase. The order is not included in the order table and is subject to immediate execution, or is otherwise cancelled. The order must be executed in full, or is not executed at all. It is valid until the first transaction is concluded or first transactions, if executed simultaneously.
2. The Fill and Kill as well as Fill or Kill Orders are not included in the order table. Upon the placement of such orders, the respective transactions are concluded, or the orders are deleted.

**§ 34**

1. The order may include an additional condition being displayed on the market, i.e. may be an order with a trigger condition (Stop Loss), subject to the terms set forth herein.
2. The order trigger (Stop Loss) is defined by the following parameters:
  - a) trigger instrument – name of the instrument the trigger refers to,
  - b) trigger limit – the price or the price limit for the trigger instrument,
  - c) trigger type – indication whether the trigger condition is met when:
    - i) the last transaction price is equal to or lower than the trigger limit,
    - ii) the last transaction price is equal to or higher than the trigger limit,
    - iii) a market order of a certain type (buy / sell), with a price limit equal to or lower than the trigger limit, is displayed in the order table, provided that a market order being subject to immediate execution shall not trigger the condition,
    - iv) a market order of a certain type (buy / sell), with a price limit equal to or higher than the trigger limit, is displayed in the order table, provided that a market order being subject to immediate execution shall not trigger the condition.
3. Orders may not be modified with respect to the trigger condition. Until triggered, an order with a trigger condition (Stop Loss) shall be a local order valid till the end of the trading session. A non-triggered (local) order shall not pass on to the next market session. Orders shall be placed on the market (triggered) once the trigger condition is fulfilled, and any modification, suspension, cancellation or execution of such order shall take place in accordance the principles applicable to orders without a trigger condition.
4. The sequence of triggering orders with a trigger condition shall be determined by the time of their acceptance on the OTF. Orders may be placed and triggered solely during the continuous trading phase.
5. Upon being triggered, orders with a trigger condition shall be validated for the restrictions on price limits in orders.

**§ 35**

1. Orders may be placed either on the market (market orders) or locally (local orders). The local orders shall not take part in quotations.
2. The local orders may be placed on the market through their triggering. The triggering time determines the time when the order is accepted on the OTF.

3. The market order may become a local order through its suspension. Orders may be activated and suspended during the quotation phase on the GFM.
4. Local orders shall be validated for the order validity term, and shall remain valid until its expiry.
5. The validation of local orders with respect to the restrictions on price limits applicable to orders:
6. local orders shall not be validated with respect to the restrictions on price limits applicable to orders,
7. upon being triggered, local orders shall be validated with respect to the restrictions on price limits applicable to orders.
8. Orders may be placed on the market only during the quotation phase on the GFM.

### **§ 36**

1. OTF Members may modify their orders. The following elements may be modified:
  - a) the number of contracts offered,
  - b) price limit.
2. Orders may be modified during quotations, on trading days. When the modification consists the reduction of the Gas volume, the Order placement time shall not change. In case of other modifications (increase of the volume and change of the price), new placement time shall be assigned to the order.
3. An order placed on the market shall remain active until the modification or cancellation process is completed.

### **§ 37**

An order may be cancelled by the OTF Member that has placed the order, prior to the expiry of the order validity period. The cancellation of orders being the subject of concluded transactions shall not be allowed.

### **§ 38**

#### Discretion

1. The instruments traded on the GFM shall be subject to discretion.
2. The discretion shall consist in the possibility of introducing a limit of the maximum number of contracts (number of lots) in a single order that may be placed on the market.
3. The limit referred to in sub-paragraph 2 shall be introduced individually for each series of a listed instrument.
4. Where the discretion applies, the volume limit in orders shall apply in the continuous trading system, the single-price auction system and during auctions.
5. The detailed method of calculating the volume limit in orders is described in Chapter IX, Section 4 of the OTF Rules.

## **Section 4 The principles of price determination, the execution of orders and transactions during the continuous trading phase**

### **§ 39**

1. The transactions shall be concluded at a price equal to the price limit specified in a previously posted order, queued in the order table for execution, in accordance with to the following principles:
  - a) first, Orders with the highest price limit in case of buy Orders, and with the lowest price limit in case of sell Orders;
  - b) Orders with equal price limits are executed according to the time of Order acceptance (Orders accepted earlier are executed first);
2. Orders can be executed in part, with every partial transaction concerning at least one forward instrument.

## **Section 5 The principles of price determination, the execution of orders and transactions during the balancing phase.**

### **§ 40**

1. During the balancing phase, a balancing price shall be determined.
2. The price established during balancing shall be determined in the single-price auction system according to the time schedule provided below, subject to sub-paragraph 3:

| Timing                                                    | Quotation Phase                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Beginning of the balancing phase.                         | <p>Order placement in the single auction price system</p> <p>Acceptance of orders; orders may be modified or deleted.</p>                                                                                                                                                                                                                                                               |
| At least 2 minutes after the start of the balancing phase | <p>End of order placement</p> <p>Determination of the clearing price, provided that if the resulting price exceeds the restrictions on transaction price variations, the Exchange may take the following actions:</p> <p>a) may recognize that the determined price is the market price and approve the same as the balancing price according to the principles set out in § 50, or</p> |

|  |                                                                                                                                                                         |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | b) continue the order placement phase until a price that does not exceed the restrictions on transaction price variations is achieved, or until the end of the session. |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

3. The balancing price may be determined after a period of less than 2 minutes if it results from the quotation schedule and the resulting price does not exceed the restrictions on transaction prices.
4. The balancing price is determined in such a way as to strike the balance between demand and supply while conforming to the following principles applied in the order of priority set out below:
  - a) maximizing the trade volume,
  - b) minimizing the difference between the aggregated volume of gas in sell orders and in buy orders realisable at a certain price.
5. Orders during the balancing phase are executed in accordance with the following principles:
  - a) sell orders with a price limit below the balancing price for gas will be executed in full; a sell Order placed with a price limit above the balancing price will not be executed,
  - b) buy orders with a price limit above the balancing price for gas will be executed in full; a buy order placed with a price limit below the balancing price will not be executed,
  - c) buy and sell orders with a price limit equal to the balancing price may be executed in part, in full, or not be executed at all.
6. The priority for the execution of orders with a price limit equal to the balancing price is determined based on the time of order acceptance to the Trading System.
7. Orders can be executed in part, with every partial transaction concerning at least one forward instrument.
8. In case when the clear determination of the balancing price proves impossible, it shall be determined in the following manner:
  - a) in case when more than one price meets the conditions referred to in sub-paragraph 4, and when the difference between the cumulative buy volume and the cumulative sell volume is zero, the price shall be determined at random out of the extreme prices that meet the conditions referred to in sub-paragraph 4,
  - b) in case when there is more than one price that meets the conditions referred to in sub-paragraph 4, and when the difference between the cumulative buy volume and the cumulative sell volume has the same sign (plus or minus) for each price, the price shall be determined at such a level so as to be closer to the price for

which the difference between the cumulative buy volume and the cumulative sell volume has the opposite sign,

- c) in case when more than one price meets the conditions referred to in sub-paragraph 4 and when the difference between the cumulative buy volume and the cumulative sell volume has different signs (plus or minus) for different prices, the price shall be determined at random out of the extreme prices that meet the conditions referred to in sub-paragraph 4.
9. If, during the balancing phase, the established transaction price exceeds the applicable restrictions on transaction price variations, as referred to in § 46, the Exchange reserves the right to consult with selected participants of the Gas Forwards Market in order to confirm that the so-derived transaction price accurately reflects the market situation. The feedback received by the Exchange in accordance with the procedure described in the preceding sentence shall not be binding for the Exchange. The participants of the GFM shall nominate their representatives duly authorised to provide the feedback referred to herein.
10. The Exchange shall publish the list of participants of the GFM, referred to in clause 9, on its website.

## **Section 6 Transactions on the OTF**

### **§ 41**

#### Transactions on the OTF

1. Only OTF Members admitted by the Exchange Management Board to operate on the Gas Forwards Market shall be allowed to act as parties to transactions.
2. Transactions concluded on the GFM shall be notified together with transactions concluded on the DAM, in accordance with the principles set out in the Detailed Trading and Clearing Rules for gas traded on the Day-Ahead and Intraday Market for gas.
3. In specific cases described in the OTF Rules, the Exchange shall have the right to place orders on behalf of the OTF Member when the execution of such orders leads to the reduction of the obligations of such OTF Member. The reduction of the outstanding net position of a given OTF Member may be effected through placing orders on the DAM on behalf of such OTF Member. The costs resulting from the exchange rate difference shall be borne by the OTF Member.

## **Section 7 Method of determination and publication of daily clearing prices**

### **§ 42**

#### Daily clearing price

1. The daily clearing price is calculated based on the transactions made during the continuous trading phase, after the closing of an session, with accuracy up to PLN 0.01 for each series of an instrument quoted on the GFM, subject to the principles set out below.

2. In case when market balancing takes place during a given trading session, the balancing is treated as a single transaction and the resulting balancing price as the price of that transaction for the purposes of determination of the daily clearing price.
3. The daily clearing price shall be determined on the basis of the initial clearing price by applying to the preliminary clearing price the no-arbitrage principle set out in sub-paragraph 10 hereof.
4. The preliminary clearing price shall be determined on the basis of the initial clearing price, by applying the rules set out in sub-paragraph 9.
5. The initial clearing price is determined according to one of the following methods:
  - a) Method 1 – used for instruments for which at least one transaction has been concluded within the observation window during a given session. The duration of the observation window shall be determined by the Exchange pursuant to sub-paragraph 11;
  - b) Method 2 – applies to instruments for which no transaction has been entered into during the observation window and at least one transaction has been entered into prior to the observation window, or in the observation window there is an order pair defined as one buy and one sell order which meets the best order pair condition referred to in sub-paragraph 11;
  - c) Method 3 – applies to instruments for which no initial price has been determined during a given session using Method 1 or Method 2.
6. In the method referred to in sub-paragraph 5(a), the initial price is determined as follows:.

$$initial\ price_{method\ 1} = \frac{\sum_{i=n-k+1}^n P_i}{k}$$

where:

$P_i$  – the price fixed for the  $i^{th}$  transaction,

$n$  - the number of transactions concluded in the observation window,

$k$  - number of averaged transactions, the lowest value of the following: parameter indicating the number of averaged transactions in the observation window, number of transactions concluded in the observation window.

7. In the method referred to in sub-paragraph 5(b), the initial price is determined as follows:.
- (a) if there is an order pair in the observation window defined as one buy order and one sell order meeting the conditions for the best order pair, and no transaction has taken place prior to the observation window:

$$initial\ price_{method\ 2} = \frac{P_k + P_s}{2}$$

where:

$P_k$  - price of the buy order in the best order pair in the observation window,

$P_s$  - price of the sell order in the best order pair in the observation window,

(b) if there is an order pair, defined as one buy order and one sell order meeting the conditions of the best order pair, and at least one transaction was entered into before the observation window:

$$initial\ price_{method\ 2} = \frac{\sum_{i=n-k+1}^n P_i}{k} * \frac{spread\ npz}{dop\ spread} + \frac{P_k + P_s}{2} * (1 - \frac{spread\ npz}{dop\ spread})$$

where:

$P_i$  – the price fixed for the  $i^{th}$  transaction,

$n$  – the number of transactions concluded prior to the observation window,

$k$  – number of averaged transactions, the lowest of the following values: parameter indicating the number of averaged transactions before the observation window, number of transactions concluded before the observation window, maximum number of averaged transactions is provided by the Exchange as a parameter;

$spread\ npz$  – the spread between the buy order and the sell order for the orders identified as the best order pair, the spread is determined as the quotient of the difference between the price of the sell order and the buy order and half of the sum of the price of the buy order and the sell order, the spread is expressed as a percentage,

$dop\ spread$  – a parameter representing value of the maximum acceptable spread for the best order pair,

(c) if at least one transaction was concluded prior to the observation window and no orders meeting the conditions of the best order pair are placed during the observation window:

$$initial\ price_{method\ 2} = \frac{\sum_{i=n-k+1}^n P_i}{k}$$

where:

$P_i$  – the price fixed for the  $i^{th}$  transaction,

$n$  – the number of transactions concluded prior to the observation window,

$k$  – number of averaged transactions, the lowest of the following values: parameter indicating the number of averaged transactions before the observation window, number of transactions concluded before the observation window, maximum number of averaged transactions is provided by the Exchange as a parameter;

8. In the method referred to in sub-paragraph 5(c), the initial price is determined as follows:

$$\text{initial price}_{\text{method 3}} = \frac{\sum_1^k \text{reference instrument price}_k * \text{relationship coefficient}_k}{k}$$

where:

*relationship coefficient<sub>k</sub>* – a coefficient used to determine the initial price using method 3, reflecting the historical price relationship between the analysed instrument and the reference instrument,

$k$  – number of reference instruments, for a higher-level reference instrument  $k=1$ , for a parallel reference instrument,  $k$  ranges from 1 to the number of quoted instruments within the series-1,

*reference instrument price* – preliminary clearing price of the reference instrument, preference is given to higher-level reference instruments over parallel ones,

9. The preliminary clearing price is determined on the basis of the initial clearing price adjusted for the most last buy order or the last sell order during the end-of-session period, which fulfils the conditions defined by the Exchange pursuant to sub-paragraph 11, in the following way:
  - a) The initial clearing price must be greater than or equal to the last buy order or less than or equal to the last sell order, subject to (b) below,
  - b) The preliminary clearing price is equal to the initial clearing price provided that there were no orders during the end-of-session period,
10. The no-arbitrage principle is applied as follows:
  - a) The purpose of the no-arbitrage principle is to adjust the preliminary clearing price of the lower-level instruments relative to the higher-level instrument of which they make part, in such a way that the sum of the products of the daily clearing prices of the lower-level instruments and the nominal value of those instruments divided by the nominal value of the higher-level instrument equals the daily clearing price of the higher-level instrument. The lower-level instruments of the higher-level instrument are instruments the maturity of which cumulatively corresponds to the maturity of the higher-level instrument (e.g. for the quarterly instrument Q1/2026 (the higher-level instrument), the lower-level instruments are instruments are M1/2026, M2/2026, M3/2026,

- b) The adjustment of the preliminary clearing prices of the lower-level instruments referred to in point (a) shall be made in the order from the least liquid ones determined by Method 3, to most liquid ones determined by Method 2 and the most liquid ones determined by Method 1,
  - c) The no-arbitrage principle applies when the aggregate nominal value of the instrument and maturity date of the currently quoted lower-level instruments is equal to or greater (for weekly versus monthly instruments only) than the nominal value of the instrument and the maturity date of the higher-level instrument,
11. The following parameters are used to determine the daily clearing prices at the OTF, which shall be approved or amended by the Exchange Management Board or an authorised employee of the Exchange:
- a) Observation window – session period during which concluded transactions and active orders are used in the determination of initial prices using method 1 and method 2,
  - b) Number of averaged transactions in the observation window – maximum number of recent transactions concluded in the observation window to be taken into account in determining the initial price using method 1,
  - c) Number of averaged transactions prior to the observation window – maximum number of recent transactions concluded prior to the observation window taken into account in the determination of the initial price using method 2,
  - d) Best order pair – one buy order and one sell order meeting the following conditions:
    - i) orders were placed during continuous trading or remained active during continuous trading,
    - ii) each of the orders forming the best order pair has been active for at least for a period specified by the Exchange (defined as the minimum active time of the best orders) and the duration (activity) of the orders in the observation window must overlap at least partly,
    - iii) spread for these orders does not exceed the predefined acceptable spread,
    - iv) if there is more than one order pair meeting the above conditions, the order pair with the smallest spread is selected,
    - v) if there is more than one order pair meeting the above conditions, the order pair for which the duration overlap ended later is selected,
  - e) Minimum active time of the last order – this parameter indicates the time immediately preceding the end of the session on the OTF for which a buy order or sell order may not be modified and must be active during continuous trading to be considered as the last buy or sell order. When there is more than one buy order or one sell order meeting the above conditions, the buy order with the highest price limit and the sell order with the lowest price limit are selected from among these orders,
  - f) Daily seasonality for GAS\_BASE instruments – a parameter indicating the historical development of the values of instruments quoted on the relevant commodity market operated by the Exchange (SPOT) on individual days of the week in the execution period of a given instrument type, GAS\_BASE, as compared to the average value for all days of the week in the execution period of a given instrument type. Daily seasonality is determined on the first calendar day of the quarter in question, with data from the relevant SPOT market used for the determination of daily seasonality,

12. The Exchange Management Board shall have the right to adjust the resulting daily clearing price when it recognises that, due to insufficient liquidity, such measures are advisable because of the interest of OTF Members, security of trading or conformity with the principles of fair trading.

#### **§ 43**

The announcements on daily clearing price shall be made in accordance with § 72 of this document.

### **Section 8    Restrictions on price limit variations in orders and restrictions on transaction price variations**

#### **§ 44**

1. The Exchange Management Board may define restrictions on price limit variations in orders or restrictions on transaction price variations.
2. The Exchange Management Board may abolish or modify the restrictions on price limit variations in orders or the restrictions on transaction price variations with respect to specific instruments or establish their value in accordance with alternative principles, having regard to interest of OTF Members or the need to ensure security of trading.

#### **§ 45**

##### **Restrictions on price limit variations in orders (static spread)**

1. Restrictions on price limit variations in orders shall apply during the session on the GFM and during the balancing phase.
2. The restrictions on price limit variations in orders shall apply to individual series of instruments quoted on the GFM.
3. The price limit in an order shall not be higher (upper limit) or lower (lower limit) than the value resulting from restrictions on price limit variations in orders.
4. Market orders shall be validated for the applicable restrictions on price limit variations in orders. Orders for which the price limit exceeds the applicable predefined restrictions on the price limits referred to in sub-paragraph 9 shall not be placed on the market.
5. The upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step.
6. Before a session, orders that are outside the acceptable price limit volatility area determined in accordance with sub-paragraph 9 shall be removed from the market.
7. In justified cases, at the request of an OTF Member, the Exchange Management Board or an authorised employee of the Exchange may change, for a definite period of time, the restrictions on price limits in orders.
8. The change of price limits in orders shall be implemented in consultation with the Clearing House.

9. The level of restriction on price limit variations in Orders shall be determined by the Exchange Management Board. The relevant information shall be available on the TGE's website.
10. The Exchange shall inform OTF Members by e-mail about all changes to the level of restrictions on price limit variations in orders.

#### **§ 46**

##### Restrictions on transaction price variations (dynamic spread)

1. Restrictions on transaction price variations shall apply during the session, both during the continuous trading phase and in the balancing phase.
2. The restrictions on transaction price variations shall apply to individual series of instruments quoted on the GFM.
3. The upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step.
4. The placement of an order during the continuous trading phase which results in the applicable dynamic spread being exceeded for the concluded transaction, shall trigger the balancing phase for a given instrument series.
5. The transaction price for a given instrument must not be:
  - a) higher (upper limit) than the restrictions on the transaction price variations
  - b) lower (lower limit) than the restrictions on the transaction price variations .
6. In case when the execution of an order placed under a continuous trading system, when executed in accordance with the applicable order execution rules prevailing on the OTF, would result in a transaction price exceeding above-mentioned restrictions on transaction price variations, the trading and the order in question shall be suspended.
7. In case of the suspension of trading for the reason described in clause 6, market balancing phase shall begin.
8. When the price determined during the market balancing exceeds the restrictions on price variations resulting from sub-paragraph 10, the Exchange may refrain from establishing the single price and extend the market balancing phase in accordance with §40 (2).
9. In case when it is confirmed that the balancing may lead to the determination of a price which fits within the applicable limits, the balancing shall be finished and a single auction price shall be determined.
10. The level of the restrictions on price variations shall be determined by the Exchange Management Board. The relevant information shall be available on the TGE's website.
11. The Exchange shall inform OTF Members by e-mail about all changes to the level of restrictions on transaction price variations.

**Section 9 Principles for the determination of reference prices****§ 47**

1. The determination of the restrictions on the transaction price variations and the price limit variations in orders for each series of an instrument quoted on the GFM shall be based on the reference price.
2. The reference price for an instrument may be its last determined daily clearing price, the price of the last transaction made in the continuous trading phase or the price of the last transaction made in the balancing phase for that instrument, in accordance with the principles set out in this Section.
3. In case when the reference price has not been determined, the Exchange may determine a theoretical reference price in accordance with the principles defined by the Exchange Management Board. In case when neither the reference price nor the theoretical reference price have been determined, the restrictions described in § 45 – § 46 shall not apply.

**§ 48**

## Reference price for a static spread

1. The reference price for the restrictions on price limits in orders (static spread) shall correspond to the daily clearing price, as established in the previous session. This price shall apply both in the continuous trading phase and in the balancing phase.

**§ 49**

## Reference price for a dynamic spread

1. The reference price for the restriction on transaction price variations (dynamic spread) shall apply equally to continuous trading and in the balancing phase.
2. For a given instrument being quoted, the reference price shall correspond to the price of the last transaction concluded in that instrument on a given trading day. This price may be determined during the continuous trading or the balancing phase.
3. When transaction price referred to in sub-paragraph 2 has been determined for the instrument, the reference price shall correspond to its daily clearing price, as established during the session preceding the trading session.

**Section 10 Market balancing****§ 50**

1. When, as a result of balancing, the price determined in accordance with the principles set out in §40 does not fit within the applicable restrictions on transaction price variations, the Exchange may either:
  - a) resume trading while setting a balancing price after a prior adjustment of the level of restrictions on price variations, or
  - b) extend the balancing phase.

2. The adjustment of the restrictions on price variations, as referred to in sub-paragraph 1(a) shall remain in effect until the end of the current balancing phase, which shall enable the determination of a new single auction price, i.e. the new balancing price. After the end of the balancing phase, the level of the restrictions applicable during continuous trading, as referred to in §39, shall be restored.
3. In case when in the course of balancing:
  - a) orders in the order sheet are placed only on one side, or
  - b) the price limit in a buy Order is lower than the lowest price limit in a sell Order, or
  - c) no orders are placed

the price shall not be determined and the balancing shall be concluded without the determination of the balancing price, and the reference price shall be the price which applied during the balancing phase.

## Section 11 Rules for instrument trading in the auction system.

### § 51

#### Auction times

1. Auctions may be held according to the schedule specified in sub-paragraph 2 below, from Monday till Friday, in accordance with the "GFM Quotation and Execution Calendar", defined by the Exchange Management Board or an employee of the Exchange authorised by the Management Board.
2. Auction schedule

| Time                                                            | Quotation Phase                                                                                                                                            |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| From <b>2:00 p.m.</b> until <b>2:15 p.m.</b> on the Trading Day | <b>Input of Orders by Auction Participants</b><br>Input of Orders by Participants in response to the announced auction. Orders may be deleted or modified. |
| From <b>2:15 p.m.</b> until <b>2:30 p.m.</b> on the Trading Day | <b>Input of the Originator's Order</b><br>Input of the Originator's order based on the details provided in the auction opening request.                    |
| From <b>2:30 p.m.</b> until <b>2:31 p.m.</b> on the Trading Day | <b>Closing of the auction</b><br>Closing of the auction and communication of the results via the IT system of the exchange                                 |

|                                        |                                                                                                      |
|----------------------------------------|------------------------------------------------------------------------------------------------------|
| By <b>3:30 p.m.</b> on the Trading Day | <b>Publication of auction results</b><br><br>Publication of the auction results on the TGE's website |
|----------------------------------------|------------------------------------------------------------------------------------------------------|

3. In case when the Exchange Management Board approves multiple auctions to be held on a given day, the auction schedule shall be published in advance, as provided for in § 52(5).

## § 52

### Opening of the auction

1. Auctions may only concern the instruments indicated in points 1.1 and 1.2, 2.1, 1.3, 1.4 of the Annex.
2. An auction is opened at the request of the Originator. The request for opening of the auction should specify at least the following:
  - a) proposed date of the auction,
  - b) type of auction (sell or buy),
  - c) instrument being the object of the auction,
  - d) number of instruments the Originator intends to sell or buy as a result of the auction (the auction volume),
  - e) offered price limit (the price limit constitutes the minimum price in case of a sell auction or the maximum price in case of a buy auction).
3. The application for opening of the auction should be submitted not later by than 3:00 p.m. on 4th business day before the proposed auction date, in the form specified by the Exchange Management Board.
4. The auction may be held provided that the number of instruments specified in the request is at least 50 (the delivery of 50 MWh in each hour of the contract execution period), subject to sub-paragraph 8. The Exchange Management Board may agree to open an auction with a lower auction volume, if it considers that this would not affect market liquidity.

5. An auction may be organised on any Trading Day, in accordance with the schedule forth out in § 51(2). The auction opening date and time shall be publicly announced by the Exchange not later than on 2nd business day before its date, subject to sub-paragraph 7. The announcement shall specify in particular the following:
  - a) auction date,
  - b) type of auction,
  - c) object of the auction,
  - d) auction volume.
6. In order to secure financial settlements resulting from clearing of the Transactions of a given OTF Member, the auction may be conducted at the request of the Clearing House, submitted in writing on behalf of the OTF Member, not later than two hours before the proposed auction date.
7. In the case specified in sub-paragraph 5 above, the Exchange shall have the right to notify the OTF Members about the auction date on the auction day.
8. The auction held on request of the Clearing House shall not be subject to the restriction referred in sub-paragraph 4 above.

### **§ 53**

The OTF Member may withdraw the request for opening of the auction no later than on 2nd business day before the auction date. The OTF Member shall be obliged to inform the Exchange about reasons for its decision.

### **§ 54**

The application for opening of the auction, submitted by the Clearing House referred to in § 52(6), may be withdrawn not later than till 12:00 on the day the auction is to be held.

### **§ 55**

The OTF Member and the Clearing House may change the offered price limit not later than by 12:00 (noon) on the auction date. The Exchange Management Board may impose a restriction on the changes of the price limit.

### **§ 56**

The principles of order acceptance, execution, modification and cancellation during an auction

1. The orders placed in the auction system should conform to the conditions specified in § 30 and § 32.
2. On the auction date established in accordance with the schedule specified in § 51, Auction Participants may only place opposite orders.

3. In the auction system, discretion shall be introduced with respect to a given series of instruments, provided that a limitation resulting from discretion is also in effect for the corresponding series of instruments quoted in the continuous trading system on a given session day.
4. In the auction system, the discretion shall concern orders placed by Auction Participants, subject to sub-paragraph 5, and shall not apply to the order of the Originator.
5. The volume of orders placed by Auction Participants shall correspond to at least 5 instruments, subject to sub-paragraph 4.
6. Only Session type orders may be placed during the auction.
7. On the auction date established according to the schedule specified in § 51, the Originator's Order shall be submitted by the Exchange on its behalf based on the application for opening of the auction.
8. During the placement of the Orders, the Offerer and Auction Participants shall only have access to their own Orders.

### **§ 57**

Auction Participants shall have the right to modify their Orders. The following elements may be modified:

- a) number of contracts offered,
- b) price limit.

### **§ 58**

The principles of transaction making and execution of orders in the auction system:

1. Transactions are concluded at a transaction price equal to the price limit specified in the Order of the Auction Participant, in accordance with the following principles:
  - a) first, Orders with the highest price limit in case of buy Orders, and with the lowest price limit in case of sell Orders;
  - b) Orders with equal price limits are executed according to the time of Order acceptance (Orders accepted earlier are executed first);
2. Orders can be executed in part, provided that each partial transaction concerns at least one contract.
3. After the end of the auction, not executed Orders shall be deleted.

### **§ 59**

Closing of the auction and publication of results

The closing of the auction shall take place upon the placement of the Originator's order and the determination of the auction results.

## § 60

1. After the closing of trading in the auction system, the Exchange shall make the auction results public.
2. In case of a resolved auction, the following information shall be announced to the public:
  - a) volume of concluded transactions,
  - b) minimum and maximum transaction price,
  - c) volume-weighted average transaction price of the auction (auction transactions).
3. In case of an unresolved auction, the following information shall be announced to the public:
  - a) auction volume, as specified by the Originator,
  - b) price limit, as specified by the Offerer,

## Section 12 Summary of the trading terms prevailing on the GFM

## § 61

|                                                                                       |                                                                                                                                        |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Transaction unit                                                                      | 1 contract (number of MWh obtained by multiplying 1 MW by the number of hours specified in the "GFM Quotation and Execution Calendar") |
| Price step                                                                            | PLN 0.01/1 contract                                                                                                                    |
| Quotation system                                                                      | Continuous trading, auction system for the instruments indicated in points 1.1, 1.2, 1.3, 1.4 of the Annex.                            |
| Maximum volume in a single order                                                      | 100 contracts                                                                                                                          |
| Restrictions on transaction price variations (dynamic spread)                         | Applicable<br><br>The level to be specified by the Exchange and published on the TGE website.                                          |
| Reference price for the restrictions on transaction price variations (dynamic spread) | The last daily clearing price determined for a given instrument                                                                        |

|                                                                                          |                                                                                               |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Restrictions on price limit variations in orders (static spread)                         | Applicable<br><br>The level to be specified by the Exchange and published on the TGE website. |
| Reference price for the restrictions on price limit variations in orders (static spread) | The last daily clearing price determined for a given instrument                               |
| Verification of buyer's Orders for financial collateral                                  | Not applicable                                                                                |
| Validation of seller's orders with respect to the proper volume of property rights       | Not applicable                                                                                |

## Section 13 Execution of the contracts concluded on the GFM

### § 62

1. The execution of the contracts concluded on the GFM shall take place through financial settlement and physical delivery of gas.
2. The financial settlement, mentioned in sub-paragraph 1 above, shall take place according to the terms specified by the Clearing House.
3. The physical delivery referred to in sub-paragraph 1 shall be made in accordance with the standard of the instrument being subject to the agreement and the "GFM Quotation and Execution Calendar" defined by the Exchange Management Board or an employee of the Exchange authorised by the Management Board.
4. The delivery of the purchased or sold gas shall be carried out in accordance with the rules of the Day-Ahead Market, subject to § 9.

## Chapter 5 Limitation, postponement, suspension or termination of trading in instruments

### § 63

1. The Exchange Management Board shall have the right to limit, suspend, postpone or terminate trading on the OTF in a session conducted as part of the GFM.
2. The decision to cancel a session or prices of individual instruments may be taken by the Exchange Management Board no later than 30 minutes after the end of the session on a given day or, as the case may be, after the last transaction in instruments whose price is subject to cancellation.

3. The cancellation of a session shall mean that all transactions made during the session shall be deemed not to have been concluded and a part of the order being the basis for their conclusion shall be cancelled.
4. The cancellation of prices of instruments shall mean that all the transactions in the instruments identified with the relevant code made during a given session during the period specified in the cancellation decision shall be deemed not to have been concluded and that a part of the order underlying their conclusion shall be cancelled.
5. When the Exchange Management Board decides to cancel sessions or prices of individual instruments, it shall at the same time determine the further course of action in this regard, in particular the validity of orders submitted to the OTF but not yet executed and the possibility of placing, modifying and cancelling new orders.

#### **§ 64**

1. The Exchange Management Board shall have the right to restrict, suspend, delay or terminate trading on the OTF during a session conducted as part of the GFM, in case of the circumstances described in the OTF Rules or whenever it deems it appropriate for the sake of the interest of the OTF Members and the security of trading.
2. In the cases described in clause 1 above, the Exchange Management Board or an employee of the Exchange authorised by the Management Board may suspend the trading of all or selected instruments quoted on the GFM, provided that such suspension shall not last longer than until the end of the current session, and in such case the OTF Members, PFSA and the Clearing House shall be notified without undue delay, stating the reason for the suspension.
3. The operator of a market session may, for technical reasons, suspend trading on individual markets of all or particular instruments of a given type for a period no longer than until the end of the market session. The OTF Members and the PFSA shall be immediately notified of the suspension, stating the reason for the suspension.
4. In specific cases, when the removal of the cause for the suspension, as referred to in clause 2 or 3, by the end of the current session is not possible, the Exchange Management Board may suspend the trading of instruments for a period longer than one session. The information on the suspension of quotations and the expected time of its resumption shall be immediately communicated to OTF Members, PFSA and the Clearing House.

#### **§ 65**

1. The Exchange Management Board or an employee of the Exchange authorised by the Exchange Management Board within the time limits referred to in § 64, may suspend the trading in instruments upon a request of the Clearing House, if this is required by the interest and security of trading participants, and specifically when it is necessary to make up for collateral margins.
2. In case of the situation described in clause 1, the trading may be resumed upon the confirmation by the Clearing House that the reasons for the suspension have ceased.

**Chapter 6 Prevention of disorderly trading conditions****§ 66**

## Contingency functionalities

1. The Exchange shall provide contingency functionalities such as:
  - a) kill functionality,
  - b) removal of orders at the request of the OTF Member,
  - c) cancellation of transactions,
  - d) removal of the orders of the OTF Member following a suspension.

**§ 67**

During the trading session, the OTF Member may operate its own kill functionality to orders placed on the market. By activating this function, all market orders of the OTF Member shall be automatically deactivated.

**§ 68**

1. TGE may remove not executed Orders placed on the Market by the OTF Member in order to prevent disorderly market subject the provisions hereof this clause, which are consistent with the wording of Article 18 of Regulation 2017/584.
2. The event referred to in clause 1 above may occur in the following circumstances:
  - a) at the request of the OTF Member if the OTF Member has no technical capabilities to remove its orders;
  - b) if the order book contains erroneously duplicated Orders;
  - c) as a result of the suspension on the initiative of the Exchange or a competent authority.
3. The removal of orders pursuant to sub-paragraph 2(a) above may take place only upon receipt of a written application from the OTF Member in the form available on the website of the Exchange.
4. The Trading Supervisor, having regard to security of trading, may decide to reject the application submitted in accordance with sub-paragraph 3 hereof. Information on the rejection of the Application shall be communicated to the applicant.

**§ 69**

The Exchange shall remove the market orders of the OTF Member when the admission to the operation on a given market has been revoked.

## **§ 70**

1. In order to prevent disorderly trading conditions, TGE may:
  - a) set a time limit for the reduction of the load generated by the OTF Member;
  - b) impose additional fees on the OTF Member that exceeds the permitted number of transmitted orders per second;
  - c) suspend the access of the OTF Member to the IT system of the exchange in the event that the parameters determined by the Exchange in accordance with Regulation 2017/584 are exceeded, or at the request of the OTF Member, clearing participant or the PFSA;
  - d) cancel transactions in the event of malfunctioning of the mechanisms described in § 45 or § 46;
2. TGE shall advise the OTF Member by telephone about the occurrence of any situation entitling the Exchange to undertake measures under sub-paragraph 1.
3. If the OTF Member removes the reasons for disorderly trading, TGE may discontinue further proceedings.

## **Chapter 7 Cancellation of transactions**

### **§ 71**

The rules concerning the cancellation of transactions entered into on GFM as well as contact details and standard application forms are presented in the "Detailed Principles for Transaction Cancellation" available on the website of the Exchange.

## **Chapter 8 Distribution of market information**

### **Section 1 Detailed principles and procedure for the publication of market information**

#### **§ 72**

1. Information about the volume, prices and value of concluded transactions shall be made available to the OTF Members through the IT systems of the Exchange.
2. Upon the end of a session, the information on the volume and prices of concluded transactions shall be published by the Exchange on its publicly available website.

#### **§ 73**

In specific justified cases, when so required by the security of trading or the interest of its participants, the Exchange Management Board may take decision to delay or suspend the disclosure of information, provided that they state the reason for such delay or suspension and, to the extent it is possible, the time when the disclosure of information will be resumed.

**Section 2 Detailed principles for disclosure of market information to OTF Members****§ 74**

1. OTF Members shall be provided with access to market data and information by the means of the production environment of the IT systems of the Exchange. The market data may constitute confidential information.
2. OTF Members must not disclose market data obtained as part of the access to the production environment of the IT systems of the Exchange to any persons other than the persons authorized in accordance with the provisions of the OTF Rules.
3. The market data made available through the production environment of the IT systems of the Exchange may be used by the OTF Member exclusively to the extent required for the operation on the Gas Forwards Market operated by the Exchange.
4. OTF Members shall not use the market data made available by the Exchange for purposes different than own authorised use, and specifically they shall not use the market data to develop financial products, including indices or derivatives.
5. Without a prior execution of the agreement referred to in sub-paragraph 6, OTF Members shall not be allowed to disclose and market data or information obtained from IT systems of the Exchange, to third parties.
6. The OTF Member may enter into an agreement with the Exchange or a party authorised by the Exchange, concerning the distribution of market data in order to obtain the right of their distribution to third parties.

**Chapter 9 Settlement principles****§ 75**

1. The detailed principles for the clearing of transactions concluded in respect of gas forward instruments, including collateral mechanisms, are described in the relevant regulations of the Clearing House available on the House's website at [www.irgit.pl](http://www.irgit.pl).

**Section 1 Commodity settlement****§ 76**

1. The execution of the transactions concluded on the GFM in respect of gas forward instruments shall take place by way of the TGE's notification of the net position to the gas Transmission System Operator with breakdown by Shipper Codes assigned by the Operator to Clearing Members of the House and, as applicable, their customers.

## Annex - Standards of instruments quoted on the GFM.

### 1. BASE instruments – with the execution date from 06:00 a.m. to 06:00 a.m. every day

#### 1.1 Yearly BASE instruments

|                                        |                                                                                                                                                                                                                                                                        |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the forward instrument</b>  | GAS_BASE_Y- yy or GAS_BASE-A_Y- yy, where:<br><br>GAS_BASE_Y – basic name of the forward instrument,<br><br>GAS_BASE-A_Y – name of the forward instrument for the auction system,<br><br>yy – two last digits of the year when the forward contract is to be executed. |
| <b>Underlying instrument</b>           | E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0,01.                                                 |
| <b>Nominal value of the instrument</b> | 1MW multiplied by the number of hours specified in the "GFM Quotation and Execution Calendar" depending on the number of days in the year: 8760-8784 MWh.                                                                                                              |
| <b>Price of the instrument</b>         | Expressed in PLN/MWh, with accuracy of PLN 0,01.                                                                                                                                                                                                                       |
| <b>Contract value</b>                  | The nominal value of the forward instrument multiplied by the price of the forward instrument.                                                                                                                                                                         |
| <b>Execution Term</b>                  | One calendar year (from 365 to 366 days) from 6 a.m. on 1 January of the year of delivery until 6 a.m. of 1 January of the year following the year of delivery.                                                                                                        |
| <b>Execution period</b>                | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                               |
| <b>Quotation period</b>                | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                               |
| <b>Delivery unit</b>                   | 1 MWh for each hour of the contract Execution Term.                                                                                                                                                                                                                    |
| <b>Expiration Date</b>                 | The last day of trading. The last session day specified in the "GFM Quotation and Execution Calendar".                                                                                                                                                                 |

|                                                                            |                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Splitting date</b>                                                      | According to the "GFM Quotation and Execution Calendar", after the closing of the session on the day preceding the beginning of the execution term. The Instrument shall be split into 4 quarterly contracts for a given delivery year. Furthermore, the first quarter shall be split into three monthly contracts. |
| <b>First trading day for a new series</b>                                  | The first session day indicated in the "GFM Quotation and Execution Calendar"                                                                                                                                                                                                                                       |
| <b>Quotation unit</b>                                                      | 1 Instrument.                                                                                                                                                                                                                                                                                                       |
| <b>Method of forward contract clearing</b>                                 | Physical delivery of equal volumes of gas in every hour during the contract Execution Term.                                                                                                                                                                                                                         |
| <b>Level of restriction on transaction price variations</b>                | To be defined by the Exchange in accordance with the Trading Terms, provided that the upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step.                                                                       |
| <b>Reference price for the restriction on transaction price variations</b> | Price of last transaction, daily clearing price.                                                                                                                                                                                                                                                                    |
| <b>Level of restriction of price limit variations in orders</b>            | To be established by the Exchange                                                                                                                                                                                                                                                                                   |
| <b>Reference price for the restriction on price limits in orders</b>       | Last daily clearing price for the contract.                                                                                                                                                                                                                                                                         |
| <b>Operation of the restrictions on transaction price variations</b>       | balancing with simultaneous rejection or acceptance of the order which triggered the balancing, depending on the order execution conditions                                                                                                                                                                         |

## 1.2 Seasonal BASE instruments

|                                         |                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the forward instrument</b>   | <p>GAS_BASE_S-X-yy or GAS_BASE-A_ S-X-yy, where:</p> <p>GAS_BASE_S – basic name of the Forward Instrument,</p> <p>GAS_BASE-A_S – name of the Forward Instrument for the auction system,</p> <p>X means the season: S - summer season, W- winter season</p> <p>yy – two last digits of the year of the beginning of the Execution Term of the Forward Contract.</p> |
| <b>Underlying instrument</b>            | E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0,01.                                                                                                                                             |
| <b>Nominal value of the instrument</b>  | 1MW multiplied by the number of hours specified in the "GFM Quotation and Execution Calendar" depending on the number of days in the season: 4368-4392 MWh.                                                                                                                                                                                                        |
| <b>Price of the instrument</b>          | Expressed in PLN/MWh, with accuracy of PLN 0,01.                                                                                                                                                                                                                                                                                                                   |
| <b>Contract value</b>                   | The nominal value of the forward instrument multiplied by the price of the forward instrument.                                                                                                                                                                                                                                                                     |
| <b>Summer Season (S) Execution Term</b> | One summer season (183 days) from 06:00 a.m. on 1 April of the delivery year until 06:00 on 1 October of the delivery year.                                                                                                                                                                                                                                        |
| <b>Winter Season (W) Execution Term</b> | One winter season (either 182 or 183 days) from 06:00 a.m. on 1 October of the delivery year until 06:00 a.m. on 1 April of the year following the delivery year.                                                                                                                                                                                                  |
| <b>Execution period</b>                 | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                           |
| <b>Quotation period</b>                 | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                           |
| <b>Delivery unit</b>                    | 1 MWh for each hour of the contract Execution Term.                                                                                                                                                                                                                                                                                                                |
| <b>Expiration Date</b>                  | The last day of trading. The last session day specified in the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                             |

|                                                                            |                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Splitting date</b>                                                      | According to the "GFM Quotation and Execution Calendar", after the closing of the session on the day preceding the beginning of the execution term. The Instrument shall be split into 2 quarterly contracts for a given delivery year. Furthermore, the first quarter shall be split into three monthly contracts. |
| <b>First trading day for a new series</b>                                  | The first session day indicated in the "GFM Quotation and Execution Calendar"                                                                                                                                                                                                                                       |
| <b>Quotation unit</b>                                                      | 1 Instrument.                                                                                                                                                                                                                                                                                                       |
| <b>Method of forward contract clearing</b>                                 | Physical delivery of equal volumes of gas in every hour during the contract Execution Term.                                                                                                                                                                                                                         |
| <b>Level of restriction on transaction price variations</b>                | To be defined by the Exchange in accordance with the Trading Terms, provided that the upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step.                                                                       |
| <b>Reference price for the restriction on transaction price variations</b> | Price of last transaction, daily clearing price.                                                                                                                                                                                                                                                                    |
| <b>Level of restriction of price limit variations in orders</b>            | To be established by the Exchange                                                                                                                                                                                                                                                                                   |
| <b>Reference price for the restriction on price limits in orders</b>       | Last daily clearing price for the contract).                                                                                                                                                                                                                                                                        |
| <b>Operation of the restrictions on transaction price variations</b>       | balancing with simultaneous rejection or acceptance of the order which triggered the balancing, depending on the order execution conditions                                                                                                                                                                         |

### 1.3 Quarterly BASE instruments

|                                        |                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the forward instrument</b>  | <p>GAS_BASE-Q-q-yy or GAS_BASE-A_Q-q-yy, where:</p> <p>GAS_BASE_Q – basic name of the forward instrument,</p> <p>GAS_BASE-A_Q – name of the forward instrument for the auction system,</p> <p>q – number of the quarter in a year, when the forward contract is to be executed,</p> <p>yy – two last digits of the year when the forward contract is to be executed.</p> |
| <b>Underlying instrument</b>           | E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0,01.                                                                                                                                                   |
| <b>Nominal value of the instrument</b> | 1MW multiplied by the number of hours specified in the "GFM Quotation and Execution Calendar" depending on the number of days in the quarter: 2159-2209 MWh.                                                                                                                                                                                                             |
| <b>Price of the instrument</b>         | Expressed in PLN/MWh, with accuracy of PLN 0,01.                                                                                                                                                                                                                                                                                                                         |
| <b>Contract value</b>                  | The nominal value of the forward instrument multiplied by the price of the forward instrument.                                                                                                                                                                                                                                                                           |
| <b>Execution Term</b>                  | One calendar quarter (from 90 to 92 days) at hours between 06:00 a.m. on the first day of the quarter and 06:00 a.m. on the first day of the quarter following the quarter in which the contract is executed.                                                                                                                                                            |
| <b>Execution period</b>                | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                                 |
| <b>Quotation period</b>                | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                                 |
| <b>Delivery unit</b>                   | 1 MWh for each hour of the contract Execution Term.                                                                                                                                                                                                                                                                                                                      |
| <b>Expiration Date</b>                 | The last day of trading. The last session day specified in the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                   |
| <b>Splitting date</b>                  | According to the "GFM Quotation and Execution Calendar", after the closing of the session on the day preceding the beginning of                                                                                                                                                                                                                                          |

|                                                                            |                                                                                                                                                                                                          |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                            | the execution term. a quarterly instrument shall be split into three monthly contracts for a given delivery quarter.                                                                                     |
| <b>First trading day for a new series</b>                                  | The first session day specified in the "Calendar of Forward Instruments Quotations and the Execution of Contracts"                                                                                       |
| <b>Quotation unit</b>                                                      | 1 Instrument.                                                                                                                                                                                            |
| <b>Method of forward contract clearing</b>                                 | Physical delivery of equal volumes of gas in every hour during the contract Execution Term.                                                                                                              |
| <b>Level of restriction on transaction price variations</b>                | To be defined by the Exchange, provided that the upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step. |
| <b>Reference price for the restriction on transaction price variations</b> | Price of last transaction, daily clearing price.                                                                                                                                                         |
| <b>Level of restriction of price limit variations in orders</b>            | To be established by the Exchange                                                                                                                                                                        |
| <b>Reference price for the restriction on price limits in orders</b>       | Last daily clearing price for the contract.                                                                                                                                                              |
| <b>Operation of the restrictions on transaction price variations</b>       | balancing with simultaneous rejection or acceptance of the order which triggered the balancing, depending on the order execution conditions                                                              |

#### 1.4 Monthly BASE instruments

|                                           |                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the forward instrument</b>     | <p>GAS_BASE_M-mm-yy or GAS_BASE-A_M-mm-yy, where:</p> <p>GAS_BASE_M – basic name of the forward instrument,</p> <p>GAS_BASE-A_M – name of the forward instrument for the auction system,</p> <p>mm – number of the consecutive month in a year, when the forward contract is going to be executed,</p> <p>yy – two last digits of the year when the forward contract is to be executed.</p> |
| <b>Underlying instrument</b>              | E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0,01.                                                                                                                                                                      |
| <b>Nominal value of the instrument</b>    | 1MW multiplied by the number of hours specified in the "GFM Quotation and Execution Calendar" depending on the number of days in the month: 672-745 MWh.                                                                                                                                                                                                                                    |
| <b>Price of the instrument</b>            | Expressed in PLN/MWh, with accuracy of PLN 0,01.                                                                                                                                                                                                                                                                                                                                            |
| <b>Contract value</b>                     | The nominal value of the forward instrument multiplied by the price of the forward instrument.                                                                                                                                                                                                                                                                                              |
| <b>Execution Term</b>                     | One calendar month (from 28 to 31 days) at hours between 06:00 a.m. on the first day of the month and 06:00 a.m. on the first day of the month following the month in which the contract is executed.                                                                                                                                                                                       |
| <b>Execution period</b>                   | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                                                    |
| <b>Quotation period</b>                   | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                                                                    |
| <b>Delivery unit</b>                      | 1 MWh for each hour of the contract Execution Term.                                                                                                                                                                                                                                                                                                                                         |
| <b>Expiration Date</b>                    | The last day of trading. The last session day specified in the "GFM Quotation and Execution Calendar".                                                                                                                                                                                                                                                                                      |
| <b>First trading day for a new series</b> | The first session day indicated in the "GFM Quotation and Execution Calendar"                                                                                                                                                                                                                                                                                                               |

|                                                                            |                                                                                                                                                                                                          |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Quotation unit</b>                                                      | 1 Instrument.                                                                                                                                                                                            |
| <b>Method of forward contract clearing</b>                                 | Physical delivery of equal volumes of gas in every hour during the contract Execution Term.                                                                                                              |
| <b>Level of restriction on transaction price variations</b>                | To be defined by the Exchange, provided that the upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step. |
| <b>Reference price for the restriction on transaction price variations</b> | Price of last transaction, daily clearing price.                                                                                                                                                         |
| <b>Level of restriction of price limit variations in orders</b>            | To be established by the Exchange                                                                                                                                                                        |
| <b>Reference price for the restriction on price limits in orders</b>       | Last daily clearing price for the contract.                                                                                                                                                              |
| <b>Operation of the restrictions on transaction price variations</b>       | balancing with simultaneous rejection or acceptance of the order which triggered the balancing, depending on the order execution conditions                                                              |

### 1.5 Weekly BASE instruments

|                                       |                                                                                                                                                                                                                                                                             |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the forward instrument</b> | <p>GAS_BASE_W-ww-yy:</p> <p>GAS_BASE_W – basic name of the Forward Instrument,</p> <p>mm - consecutive number of the week of the year when the Forward Contract is to be executed,</p> <p>yy – two last digits of the year when the forward contract is to be executed.</p> |
| <b>Underlying instrument</b>          | E-group high-methane natural gas, conforming to the standard specified by the Exchange Management Board, the price of which is determined on the Day-Ahead Market, expressed as PLN/MWh, with accuracy up to PLN 0.01.                                                      |

|                                                                            |                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nominal value of the instrument</b>                                     | 1MW multiplied by the number of hours specified in the "GFM Quotation and Execution Calendar", which depends on the number of hours in the day:<br><br>167-169 MWh.                                                                          |
| <b>Price of the instrument</b>                                             | Expressed in PLN/MWh, with accuracy of PLN 0,01.                                                                                                                                                                                             |
| <b>Contract value</b>                                                      | The nominal value of the forward instrument multiplied by the price of the forward instrument.                                                                                                                                               |
| <b>Execution Term</b>                                                      | 7 consecutive days starting at 6:00 a.m. on Monday until 6 a.m. on the following Monday.                                                                                                                                                     |
| <b>Execution period</b>                                                    | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                     |
| <b>Quotation period</b>                                                    | According to the "GFM Quotation and Execution Calendar".                                                                                                                                                                                     |
| <b>Delivery unit</b>                                                       | 1 MWh for each hour of the contract Execution Term.                                                                                                                                                                                          |
| <b>Expiration Date</b>                                                     | The last day of trading. The last session day specified in the "GFM Quotation and Execution Calendar".                                                                                                                                       |
| <b>First trading day for a new series</b>                                  | The first session day specified in the "Calendar of Forward Instruments Quotations and the Execution of Contracts"                                                                                                                           |
| <b>Quotation unit</b>                                                      | 1 Instrument.                                                                                                                                                                                                                                |
| <b>Method of forward contract clearing</b>                                 | Physical delivery of equal volumes of gas in every hour during the contract Execution Term.                                                                                                                                                  |
| <b>Level of restriction on transaction price variations</b>                | To be defined by the Exchange in accordance with the Trading Terms, provided that the upper restriction limit shall be rounded down taking into account the quotation step, lower limit is rounded up taking into account the quotation step |
| <b>Reference price for the restriction on transaction price variations</b> | Price of last transaction, daily clearing price.                                                                                                                                                                                             |

|                                                                      |                                                                                                                                             |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Level of restriction of price limit variations in orders</b>      | To be established by the Exchange                                                                                                           |
| <b>Reference price for the restriction on price limits in orders</b> | Last daily clearing price for the contract.                                                                                                 |
| <b>Operation of the restrictions on transaction price variations</b> | balancing with simultaneous rejection or acceptance of the order which triggered the balancing, depending on the order execution conditions |